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AUTHOR Funkhouser, Janie E.; Moore, Mary T.
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ABSTRACT

The summary descriptions of state programs in compensatory education (SCE) contained in this report update information presented in the 1981 Bay Area Research Group (BARG) report. A more restrictive definition of compensatory education is used in this current report, whereby only programs in which a specific target population is named and in which district discretion in spending state funds is restricted qualified for inclusion. An appropriate State Department of Education official from each of the 23 states BARG included as having an SCE program was interviewed to determine any changes since the prior year's report, and data was also collected from 10 more states for a total of 33 contacted. Based on the tighter definition, it was determined that as of the 1984-85 school year, 16 SCE programs existed nationwide. Interviews and reviews of statistical information were conducted in the following categories: (1) State funds (1983-1986); (2) Funding approach/basis for allocation; (3) students served; (4) targeting provisions; (5) monitoring; and (6) other special provisions. It was found that there has been a modest increase in states' efforts to support special instructional programs for disadvantaged children. Statistical and descriptive data are presented in tables. (VM)

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Summary of State Compensatory Education Programs

Janie E. Funkhouser

Mary T. Moore

Submitted to the

National Institute of Education

Chapter 1 Study Team

May 3, 1985

U.S. DEPARTMENT OF EDUCATION
Office of Educational Research and Improvement
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ERRATUM

Summary of State Compensatory Education Programs

Janie Funkhouser
Mary Moore

Pages 6, 11 and 20:
Washington State was included in our discussion of trends in State funding. Since the program in operation in Washington during 1979-80 did not meet our criteria for a State Compensatory Education program, those funds shoud not have been compared to 1984-85 funds, when the program did meet our criteria.

State Compensatory Education(SCE) Programs
Implemented In 1985-86

State	Year	State Funds	Funding Approach	Students Served With SCE Funds	Targeting Provisions	Monitoring	Joint/Separate-Administration of Chapter 1	Notes
Indiana	1985-86	$5,358,742 (serves 2 grades)	Funds are allocated on the the basis of number of students in grades 3, 6 and 8 who score below the 15th percentile on a state mandated test.	9,000 (estimate)	Students served are those in grades 3, 6 and 8 who score below the 15th percentile on state mandated test.	No on-site reviews at present. Superintendents are required to account for expenditures.	Separate	Students are tested in February and served during the summer. Last summer students in grades 3 and 6 were served; this summer students in grade 8 will also be served. There is currently a proposal to add grades 1 and 2.
	1986-87	$8,900,661 (serves 3 grades)		18,000 (estimate)				
Kentucky	1985-86	$13,000,000	A comp. Ed. teacher is provided for each 13 students who, at the end of kindergarten, 1st or 2nd grade achieve 26 percent below the acceptable level on Essential Skills Test. Further, a salary allotment is made for direct aid to every 20 students who, at the end of kindergarten, 1st or 2nd grade achieve 10-25 percent below the acceptable score on the Essential Skills Test.	12,756 (duplicated count)	Students served are those in grades 1-3 and are identified by their scores on the Essential Skills Test.	State staff conduct accreditation monitoring once every 5 years.	Separate	Chapter 1 uses mostly pull out settings. SCE guidelines permit only in-class settings.
	1986-87	$13,000,000		Not Available				
Pennsylvania	1985-86	$28,000,000	Funds are allocated based on the number of students in grades 3, 5 and 8 who score below the cut-off point on a state mandated test.	Not Available (duplicated counts)	Students served are those in grades 3-12 who score below the cut-off point	On-site monitoring conducted by state staff on an infrequent basis.	Separate (on occasion monitoring is jointly conducted)	Since the program is new, most students served are in grades 4, 6 and 9; students do not exit program until they achieve an acceptable test score.
	1986-87	$28,000,000		Not Available (duplicated counts)				

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Summary of State Compensatory Education Programs

Overview

This report provides a summary description of current State programs for disadvantaged students. The most recent description of state programs for disavantaged students was reported in 1981 by Harold Winslow and Susan Peterson of the Bay Area Research Group (BARG). Their findings provided baseline data from which the updated Summary Table (Table A1) evolved. The summary table from the BARG report is also provided in the appendix (Table A6).

As the BARG report points out, their study utilized a broad definition of compensatory education (CE) to decide which states had programs. Their definition allowed for great variation among states with respect to distribution of funds, definition of disadvantagement, and the extent to which proper use of funds was specified at the state level. A more restrictive definition of CE was used to create the updated Summary Table: this definition required states to specify a target population as well as to restrict districts' discretion in spending state compensatory education (SCE) funds. For this reason, 8 SCE programs described in the BARG report are omitted from the current Summary Table:

Hawaii	Minnesota
Illinois	Missouri
Indiana	Nebraska, and
Massachusetts	Pennsylvania

With the exception of Hawaii, the states omitted distributed CE funds through the state basic aid or foundation formula (using an additional weighting factor) and did not attach strings to the use of the funds generated by the additional weight. Hawaii's "Comprehensive School Alienation Program" is designed to aid dropouts and potential dropouts, but is not considered a CE program by state officials.

A few cases deserve special mention. In Illinois, CE funds are distributed to all LEAs using a foundation formula whereby LEAs receive an additional weighting depending on the number of eligible Chapter 1 students. Only in Chicago, nowever, must justification be provided as to how funds are spent (monitoring), and only in Chicago are schools targeted to receive services (based on the free and reduced price lunch count). Therefore, while the city of Chicago operates a state funded CE program,

Illinois was not included in the Summary Table because, on a statewide level, the program does not meet our requirements. Additionally, the program operating in Washington during 1979-80 was determined not to be a SCE program by our standards, but is included in the current Summary Table because a new SCE program began in 1984.

As stated, the BARG report provided an initial basis for compiling data for the updated Summary Table. An appropriate State Department of Education (SDE) staff member was interviewed from those states BARG included as having a SCE program (23 states) to determine what changes, if any, have occurred since the BARG report covering the 1979-80 school year. Usually, a Director or Program Administrator of the Chapter 1 office or of the SCE program office was interviewed.

Interviews lasted anywhere from 5 to 30 minutes. If there was a description of the SCE program in the BARG report, that description was read to the respondent, who either confirmed its accuracy[1/], explained inaccuracies, or described changes that had occurred. If no changes have taken place, the exact BARG description appears on the Summary Table. In addition, up to date statistics on funds and students served were collected. Respondents were also requested to mail a report/printout/letter containing these statistics; not all states did so. If a description for a new SCE program was needed, the respondent was asked to provide a short description for each of the categories appearing on the Summary Table:

Categories Covered	Definition
State Funds 1983-84 1984-85 1985-86	Total dollars state allocates on behalf of economically and educationally disadvantaged students.
Funding Approach/Basis for Allocation	How the state distributes Compensatory Education (CE) funds to districts; components of funding formula.

1/ In a few instances, state officials who were interviewed reported discrepancies in the BARG descriptions for 1979-80, particularly with respect to the CE nature of the state's program.

Categories Covered	Definition
Students Served 1983-84 1984-85	Total number of students served by SCE program.
Targeting Provisions	How students are targeted to receive CE services (e.g., standardized achievement test scores).
Monitoring	Whether, how often, and by whom districts are monitored.
Other Special Provisions	Whether "other provisions" previously applicable (as described in BARG table) are still operating, and/or whether any new special provisions apply.

Additionally, respondents in the 16 states in Table A1 were asked the following questions about the relationship between the SCE program and the Chapter 1 program:

- What grades are served by each?
- Is there separate or joint administration of the two programs by the State Education Agency (SEA)?
- What types of instructional treatment settings are used within each program?

Finally, respondents were asked whether those students who generate state funds are the same students served by these funds. The results of these inquiries are discussed in the body of this paper and do not appear in the Summary Table.

Determination of the existence of SCE programs in those States other than the 23 for which the BARG report described programs was made on the basis of three other data sources. The Children's Defense Fund (CDF) collected data on SCE programs during early 1984, Chrys Dougherty (a student at the LBJ School of Pubic Policy) gathered Chapter 1 data at the state level in mid to late 1984, and the Education Commission of the States (ECS) collected data during 1980. States in which CDF, Dougherty and ECS agreed that no SCE program existed were not re-contacted.

If there was agreement that a SCE program existed, or if there was any discrepancy between CDF, Dougherty and ECS findings for a particular state, a SDE staff member was interviewed. Thus, an additional 10 states, a total of 33, were contacted for the present data collection effort. A list of these states is attached.

Findings

As of the 1984-85 school year, 16 SCE programs exist nationwide. This number is based on a definition of compensatory education that requires targeting of economically and educationally disadvantaged students, and the inclusion of specific requirements as to how CE money will be spent. The attached "Summary of State Participation" (Table A2) outlines states operating SCE programs in 1979-80, states where programs began since 1980, states where SCE programs are planned, and states that have abolished their SCE program.

The summary indicates the relationships of the states' SCE programs across time. Three states initiated SCE programs since the BARG survey, Louisiana in 1982-83 and South Carolina and Washington in 1984-85. Wisconsin phased out its SCE program beginning in the 1979-80 school year and currently has no plans to institute another. Three other states with no previous program -- Indiana, Kentucky, and Pennsylvania -- will begin SCE programs during the 1985-86 school year. Further, the Kansas Legislature began hearings in January, 1985, on a bill to establish a program. Thus, by the start of the 1985-86 school year, 19 states will operate SCE programs. This number may expand to 20 programs, if the Kansas bill passes.

There are 29 states (Wisconsin excluded) which have not instituted a CE program, and currently have no plans to do so:

Alabama	Maine	New Mexico
Alaska	Massachusetts	North Carolina
Arizona	Minnesota	Oklahoma
Arkansas	Mississippi	Oregon
Colorado	Missouri	South Dakota
Delaware2/	Montana	Tennessee
Hawaii	Nebraska	Vermont
Idaho	Nevada	Virginia
Illinois	New Hampshire	West Virginia
Iowa		Wyoming

Use of Test Scores

The use of achievement test scores has always been more prevalent as a basis for targeting students than allocating funds, yet the number of states utilizing test scores for both purposes has increased. During 1979-80 11 states (California, Connecticut, Florida, Georgia, Maryland, Michigan, New Jersey, New York, North Carolina, Texas, and Washington) used test scores to target students. Currently, two additional states (Louisiana and South Carolina) use test scores to target students.

Previously (1979-80) seven states (Florida, Georgia, Michigan, New Jersey, New York, North Carolina, and Washington) used test scores to allocate funds. Currently, an additional three states (Connecticut, Louisiana, and South Carolina) use test scores to allocate funds.

Furthermore, states in which programs are scheduled for the 1985-86 school year (Indiana, Kentucky, and Pennsylvania) make use of test scores in both funding and targeting. This reflects a trend noted in the BARG report regarding the growing preference for measures of performance (as opposed to measures of income) for determining allocations to LEAs.

2/ As the BARG report points out, Delaware's Basic Skills Program uses "Basic Skills Units" to support salaries, services, and supplies for instruction in reading, writing and mathematics. District entitlements are based on total enrollment rather than on children identified as disadvantaged. While the state finance director reports that most districts use funds to support remediation for low achieving students, the legislation does not identify a specific target population. Therefore Delaware's program is not included in the Summary Table.

Students Served

Information on trends in the numbers of students served by SCE programs is not available due to missing values for either 1979-80 or 1984-85, duplicated counts in reporting, or the use of numbers eligible rather than served. Table A1 includes notations regarding the source of students served figures across the states operating SCE programs.

Trends in State Funding

Table A3 outlines trends in state funding between the 1979-80 and 1984-85 school years. Adjusted funding levels for 1984-85 are also given, using the consumer price index (CPI) and 1979-80 as the base year. When percentage change is computed using actual dollars, only four states for which computation is possible[3/] (Connecticut, Michigan, Ohio, and Utah) show a decline in funds. However, using the adjusted 1984-85 figure, all states except two, Texas and Washington, experience a substantial decline in funding -- ranging from a low negative percentage change of 1.6 in Georgia, to a high negative percentage change of 51.4 in Ohio. The abnormally high positive percentage change of 415.6 in Texas is due to two factors:

1. A large amount of money (35 percent of the total allocation) is geared toward general administration, which previously was not allowed; and

2. New tutorial programs were instituted for low achievers as a result of recent educational reform efforts underway in Texas.

Washington's positive percentage change can be explained by the advent of completely new program practices in 1984-85.

Trends in Federal Funding

Table A4 presents trends in Federal funding of Chapter 1 programs, again presenting 1984-85 funds in both actual and adjusted dollars; comparisons are possible for

3/ Calculations are not possible for California due to the fact that California combines CE and bilingual allocations into one figure.

all 16 states with operational SCE programs. When the percentage change between 1979-80 and 1984-85 is computed using actual dollars, only two states, North and South Carolina, show a negative percent change in funding. When the adjusted 1984-85 figure is used, all 16 states experienced a decline in purchasing power of Federal funds -- the highest decline of 41.5 percent in South Carolina, and the lowest, 6.8, in Florida.

Comparison of Federal and State Funding Trends

The relationship between Federal and state funding levels is complicated. An inspection of the actual percentage growth and/or decline in both Federal and state CE funds from 1979-80 through 1984-85 (13 states had funding data to compare across this period) reveals that in seven states as Federal funds increased so did state funds (see Tables A3 and A4). Four states decreased their state CE funds in this period at the same time Federal funding increased. Only one state (North Carolina) increased state funds as Federal Chapter 1 funds declined. When adjusted state and Federal funding figures are used, only two states (Texas and Washington) show a positive level of SCE funding growth against a backdrop of declining Federal support. A third state (Georgia) shows considerably less decline in its SCE funds when these are adjusted for inflation than in its Federal Chapter 1 allocation. Although more in-depth investigations are necessary to specify how Federal funds influence SCE funding decisions, comparisons of percentage change for the period of years indicated suggests that both SCE and Federal Chapter 1 funding have suffered declines in terms of adjusted dollars from 1979-80 through 1984-85.

State Funds as a Proportion of Federal Funds

Table A5 presents both state and Federal funds (actual dollars) for both 1979-80 and 1984-85, as well as the proportion of Federal funds constituted by state funding for both school years. The table indicates that for the majority of states SCE funds equaled 25 percent or less of Federal Chapter 1 funds. During 1979-80, eight states for which comparisons are possible (Connecticut, Georgia, Michigan, North Carolina, Rhode Island, Texas, Utah, and Washington) allocated funds equal to 25 percent or less of Federal Chapter 1 funds. Three states (New Jersey, New York, and Ohio) allocated funds equal to 45 percent or more of Federal Chapter 1 funds. New Jersey allocated the highest percentage of Federal Chapter 1 funds (82.0), and North Carolina the lowest (8.6).

During 1984-85, nine states for which comparisons are possible (Connecticut, Florida, Georgia, Louisiana, Michigan, North Carolina, Rhode Island, Utah, and Washington), allocated funds equal to 25 percent or less of Federal Chapter 1 funds. Four states (New Jersey, New York, South Carolina, and Texas) allocated funds equal to 45 percent or more of Chapter 1 funds. Texas allocated the highest percentage of Chapter 1 funds -- 128.3, followed closely by South Carolina -- 123.5. The Texas figure is in line with their large increase in state funding (Table A3), and South Carolina just instituted their program in 1984-85, so that "start up" costs may be reflected. The lowest percentage of Chapter 1 funds was allocated by Utah -- 7.4. While most states' funding proportions stayed within a band of 10 percentage points for both 1979-80 and 1984-85, two states showed changes that exceeded this range (Ohio and Texas).

The Relationship between SCE and Chapter 1

Grades Served. The following seven states reported that the SCE and Chapter 1 programs served students in grades K-12:

California	Ohio
Connecticut	Rhode Island
Georgia	Texas
New York	

In Connecticut pre-K was also served. This is not to say that at the district level all of these grades are always served by the two programs, but rather that the same unrestricted options apparently are available to local program administrators. It may be that respondents in these states were not sure of existing differences; three of these states -- Georgia, Ohio, and Texas -- reported separate administration of the programs by the SEA, suggesting the possibiity that the individual responding may not have known particular policies relevant to the other program.

An additional nine states provided more specific answers about grades served by SCE and Chapter 1:

State	Grades Served - SCE	Grades Served - Chapter 1
Florida	usually 7-12	1-6
Louisiana	2, 3, 4, 5	pre-K-12
Maryland	usually K-6	K-12
Michigan	K-10	K-12
New Jersey	K-12	pre-K-12
North Carolina	9-12	K-12
South Carolina	1-6	K-12
Washington	2-9	K-12
Utah	mostly 9-12	K-12

Program Administration. Separate versus joint administration of SCE and Chapter 1 programs refers to whether or not the same SEA supervisory staff oversees both programs.

Seven states report distinctly separate administration:

Florida	Ohio
Georgia*	Texas
Louisiana	Utah
North Carolina	

All of these states except one, Georgia, also operate the two programs out of separate offices.

Eight states report joint program administration:

California	New Jersey
Connecticut	Rhode Island
Maryland	South Carolina
Michigan	Washington

All of these states operate both programs out of the same office. New York deserves special mention -- a distinct unit supervises the SCE program, but program monitoring is performed jointly. The two programs are housed in the same office.

Instructional Treatment Settings. This inquiry did not produce any real variety of response. As one would expect, most states report that local districts use their own discretion as to the use of mainstream versus pull-out settings for both the SCE and Chapter 1 programs. A few respondents provided more definitive answers:

* Georgia will switch to joint administration by Fiscal Year 1987.

Georgia -- Chapter 1 uses pull-out settings entirely; SCE uses both.

Maryland -- both programs use mostly mainstream settings.

Rhode Island -- both programs predominately use pull-out settings.

Utah -- SCE uses mostly mainstream settings. Chapter 1 uses both options.

Dollars Generated and Students Served-SCE. Comparing funding approaches with targeting provisions prompted the question of whether those students who generated the SCE funds were, student by student, those who received remedial services. For example, in Ohio funds are generated on the basis of economic factors (AFDC count), while children served are those "in greatest educational need." On the other hand, in South Carolina, funds are both generated by and serve those who score below a certain level on the statewide assessment test. One must bear in mind that there is likely to be some overlap between those generating funds and those served even when different criteria are used for funds allocation and program eligibility. Our attempt here is to list those states in which dollars generated by a student unquestionably serve that student. Based on their responses, five states clearly meet this condition:

Louisiana
Maryland
New Jersey
North Carolina
South Carolina

Conclusions

This update of SCE programs relied on a more restrictive definition of the characteristics of a compensatory education program than did the previous documentation. Even using this tighter definition, we found a modest increase over the past six years in states' efforts to support special instructional programs for disadvantaged children. This increased interest, in part, reflects the impact of broader state-level educational reform packages that seek to ensure proficiency in academic skills through the imposition of testing and remediation mandates. The following bullets reiterate the major findings that resulted from this current analysis of SCE programs:

- 16 SCE programs existed nationwide as of 1984-85; three additional states will initiate SCE program in 1985-86 with one more likely to come into existence in 1986-87. All told 20 SCE programs are likely by the close of the 1985-86 school year.

- SCE programs commonly use achievement scores as a basis for funds allocation and student eligibility. Income is less frequently used for these purposes.

- Estimates of the number of students served by SCE funds (separate from Chapter 1) are imprecise in many states as a result of nonreporting, duplicate counts and the practice of counting eligible students as opposed to those actually served.

- When dollars are adjusted to a base year of 1979-80, most states have experienced declines in both Federal and state funds for CE. Two states, Texas and Washington, have not witnessed a decline in their SCE funds, however, due to their increased state appropriations more than offsetting the effects of inflation.

- No particular trend is evident with respect to the impact of changed levels of Federal Chapter 1 support on state spending for CE.

- In the majority of states, state funds for CE are proportionately less than Federal funds. In two states, South Carolina and Texas, state funds exceeded Federal Chapter 1 allocations in 1984-85.

- States vary in their SCE policies with respect to grades targeted, instructional settings, and joint versus separate state level administration of Chapter 1 and the CE program.

Programs to Begin in 1985-86

Three states currently without SCE programs will begin to operate programs in the 1985-86 school year.

Indiana's Basic Skills Testing and Remediation Program is still under development. Enough funds will be allocated to remediate 15 percent of students in need in each LEA, and funding is estimated at a per-pupil amount of $200. The program will focus on third and sixth grade students, and on students in one other grade that has not yet been determined. The funding formula as well as targeting provisions will utilize test scores, although the appropriate cut-off score has not yet been determined. Monitoring specifications have not yet been determined.

Kentucky's SCE program will focus on students in grades 1 and 2. Program appropriations total 16 million dollars. Money will be allocated in the following manner:

A CE teacher is provided for each 13 students who, at the end of kindergarten, 1st, or 2nd grade, achieve 26 percent below the acceptable level on the Essential Skills Test. Further, a salary allotment is made for direct aid to every 20 students who, at the end of kindergarten, 1st, or 2nd grade, achieve 10-25 percent below the acceptable score on the Essential Skills Test. These test score cutoff points are also used to target students.

Procedures for monitoring districts have not yet been determined.

Pennsylvania's SCE program will allocate 24 million dollars to districts in two ways:

1. $17 million will be allocated on the basis of each LEA's current proportion of state aid, and

2. $7 million will be allocated on the basis of the number of students scoring below the cutoff level on the statewide achievement test.

Test scores will also be used to target students; students in grades three, five, and eight will be served. State staff will monitor a sample of districts once a year.

The following states were contacted by Decision Resources regarding state compensatory education:

Alaska
California
Connecticut
Delaware
Florida
Georgia
Hawaii
Illinois
Indiana
Kansas
Kentucky
Louisiana
Maine
Maryland
Massachusettes
Michigan
Minnesota
Missouri
Nebraska
New Jersey
New York
North Carolina
Ohio
Oregon
Pennsylvania
Rhode Island
South Carolina
Texas
Utah
Washington
West Virginia
Wisconsin
Wyoming.

Table A1

SUMMARY OF STATE-FUNDED COMPENSATORY EDUCATION PROGRAMS

State	Years	Federal Funds (Millions)	State Funds (Millions)	Funding Approach	Students Served with SCE Funds		Targeting Provisions	Monitoring	Other Special Provisions	Changes Since 1979-80
California	1979-80 1983-84 1984-85 1985-86 (proposed)	300.0 333.2 361.5 N/A	159.0 182.0* 187.5 N/A	State Act for Disadvantaged Children: Formula comparing proportion of low income families to State totals.	1979-80 1983-84 1984-85	N/A - Students served by State and Federal funds are not counted separately.	Low income students scoring below second quartile on State assessment. Priority to early grades.	Comprehensive program review visits to schools by outside agencies or local staff from a different district at approximately 3-year intervals. State staff train those who monitor.		Monitoring no longer done by State Department of Education (SDE) staff.
Connecticut	1979-80 1983-84 1984-85 1985-86 (proposed - with additional 3 million for summer program)	30.9 32.8 38.7 N/A	7.0 4.2 6.4 10.4	Education Evaluation and Remedial Assistance Act Formula compares: (1) proportion of low income and AFDC families to State totals, (2) proportion of students failing below State level of expected performance on 9th grade proficiency test (SLOPE). The two comparisons are averaged to determine allocation of funds.	1979-80 1983-84 1984-85	14,000 est. 9,000 est. N/A	All participants must score below 23rd percentile on a standardized test.	Program and State level staff monitor one-third of all districts every year.	Funds to be used for supplementary educational programs.	Comparison involving statewide assessment test is an additional factor in funding approach. Targeting no longer requires 75% of participants meet the free milk/lunch criteria.
Florida	1979-80 1983-84 1984-85 1985-86 (proposed)	112.7 121.0 151.6 N/A	28.5 32.8 34.4 N/A	Funds are allocated on the basis of the number of students who score at or below the 25th percentile on the State Student Assessment Tests, and the funds are an entitlement to each district.	1979-80 1983-84 1984-85	N/A 261,458 N/A	LEA's identify participants, as well as those "at risk," on the basis of State Student Assessment Test scores.	Once every five years, State staff audits districts. Once every year, districts provide Performance Evaluation Reports. Once every year, State analyzes State Assessment Test scores used to identify participants. Once every year, districts provide a financial summary.	Chapter 1 guidelines govern expenditures.	

* California's SCE allocation figures include allocations for bilingual education (it is not possible to separate funds for the two programs).

Summary of State-Funded Compensatory Education Programs (cont.)

State	Years	Federal Funds (Millions)	State Funds (Millions)	Funding Approach	Students Served with SCE Funds		Targeting Provisions	Monitoring	Other Special Provisions	Changes Since 1979-80
Georgia	1979-80 1983-84 1984-85 1985-86 (proposed)	83.5 78.6 85.9 N/A	12.7 17.2 18.1 23.0	Formula based on the number of students failing to achieve a certain score on the State Criterion Referenced Test in reading and/or math in the 4th and 8th grades, as well as on the number of students failing to achieve a certain score on the 10th grade Basic Skills Test (exit exam). Each child failing any of the three tests generates a dollar amount for the local system.	1979-80 1983-84 1984-85	158,000 Reading: 53,107 Math: 43,667 (duplicated counts) N/A	Children in grades 1-8 identified through LEA needs assessment as needing special assistance to achieve at level comparable to others their age. Students served in grades 9-12 are those failing the Basic Skills Test (exit exam).	Once every five years, each LEA is monitored by a State consultant.	Funds to be used primarily for salaries of instructional personnel to provide supplementary remedial services.	Funding formula no longer specifies 15 to 20 objectives that must be achieved on the 4th grade reading portion of the State Criterion Referenced Test. Funding formula as well as targeting provisions have been expanded to include scores on 10th grade Basic Skills Test (exit exam).
Louisiana	1979-80 1983-84 1984-85 1985-86 (proposed)	90.1 83.3 102.6 N/A	N/A 5.0 8.8 N/A	Allocations based on the number of students failing to achieve a certain performance standard on the State Basic Skills Test.	1979-80 1983-84 1984-85 Numbers are remediation units, not students served; one student can constitute more than one unit.	N/A 19,604 33,989	Those children failing to achieve a certain score on the State Basic Skills Test.	State staff monitor a school level sample from every system once a year.		New SCE program began in the 1982-83 school year.
Maryland	1979-80 1983-84 1984-85 1985-86 (proposed)	53.6 50.0 55.2 N/A	14.7 5.5 14.8 15.5	Allocation formula utilizing per pupil amount based on the number of Chapter 1 eligibles.	1979-80 1983-84 1984-85	16,000 est. 17,970 est. 17,075 est.	Chapter 1 eligible schools or schools with educational needs based on standardized tests. Target students are prekindergarten-12, economically and educationally disadvantaged, identified through standardized tests or State functional reading tests.	Visits to schools by State staff, coinciding with Chapter 1 review visits.	The bulk of SCE funds is used to hire personnel to provide direct instructional services.	While the funding formula itself has not changed, the dollar amount per pupil has increased; the "5 year increase in State aid to Education," taking effect in 1984-85, caused an increase of $25/child between 1983-84 and 1984-85. Target students changed from K-12 to pre-Kindergarten-12. SCE funds were at one time divided somewhat equally between direct instructional services and support activities. Now direct instructional services take precedence.

Summary of State-Funded Compensatory Education Programs (cont.)

State	Years	Federal Funds (Millions)	State Funds (Millions)	Funding Approach	Students Served with SCE Funds	Targeting Provisions	Monitoring	Other Special Provisions	Changes Since 1979-80
Baltimore	1979-80 1983-84 1984-85 1985-86 (proposed)		N/A 2.6 10.8 11.2	Density Aid (Baltimore): Provision of basic aid formula gives per pupil allocation based on enrollment. Funds are in addition to above aid.				Two thirds of Density Aid allocation must be used for Comp. Ed.	
Michigan	1979-80 1983-84 1984-85 1985-86 (proposed)	134.0 115.6 138.5 N/A	32.9 22.9 24.0 N/A	Per pupil amount based on number of low achievers on State assessment. LEAs with 13.7% or more K-10 students in low achieving group are eligible.	1979-80 131, 734 1983-84 101,228 1984-85 106,557 Numbers eligible, rather than served are reported.	The primary target group is students one or more years below grade level (except grades K-2), scoring in the lowest quartile, or students "demonstrating need of readiness."	Closely coordinated with Chapter 1 monitoring; each district is visited every other year.		In the past, LEAs with 15% or more K-7 students were eligible for funding. Stipulation that 50% of funds must be spent in Chapter 1 schools has been removed from the laws and from the rules.
New Jersey	1979-80 1983-84 1984-85 1985-86 (proposed)	83.3 94.8 107.5 N/A	68.3 80.0 88.0 N/A	Formula consists of: Number of pupils eligible, multiplied by the additional cost factor (.18) for SCE, multiplied by the State average net current expense budget per pupil. Eligible students are those receiving AFDC and those below standard on the Minimum Basic Skills Test and/or those in an approved SCE program of the prior year.	1979-80 340,501 1983-84 172,146 1984-85 N/A	Students in grades K-11 who score below equivalent State-wide standards in reading and math are selected for participation.	The monitoring process implemented in January 1984 assures that every district will have been monitored by December 1985; those approved receive a 5 year certification	Teaching staff training is required.	Funding formula remains the same, but the additional cost multiplier for SCE is changed from .11 to .18. New monitoring system implemented in January 1984.
New York	1979-80 1983-84 1984-85 1985-86 (proposed)	302.6 312.5 351.5 N/A	136.9 181.0 177.6 N/A	States' basic aid formula gives students scoring below minimal competence level on State assessment additional weighting of .25. Allocations are based on the combined total number failing test divided by the total number taking (any student failing or taking the test between 1977-78 and 1980-81).	1979-80 478,012 1983-84 160,173 1984-85 N/A	LEAs identify participants on the basis of standardized tests.	Annual visits to LEAs by State staff.	Funds "attributable" to special needs students must be spent on programs for these students.	Total number of test takers and failures used in funding formula has been changed to include anyone taking or failing test between 1977-78 and 1980-81; this change affects 1984-85 aid.

Summary of State-Funded Compensatory Education Programs (cont.)

State	Years	Federal Funds (Millions)	State Funds (Millions)	Funding Approach	Students Served with SCE Funds	Targeting Provisions	Monitoring	Other Special Provisions	Changes Since 1979-80
North Carolina	1979-80 1983-84 1984-85 1985-86 (proposed)	91.2 82.5 80.1 N/A	8.0 7.8 8.8 N/A	Formula based on number of 11th graders failing State competency test and severity of failure.	1979-80 N/A 1983-84 N/A 1984-85 121,039	Participants include students failing test (required for diploma) and 9th and 10th graders identified by LEA as potential failures.	Unscheduled visits to LEAs by State staff.	The SCE program does not follow Ch. 1 guidelines	
Ohio	1979-80 1983-84 1984-85 1985-86 (proposed)	96.5 103.7 112.6 N/A	57.0 40.0 est. 40.0 est. 40.0 est.	Disadvantaged Pupil Program. Fund formula based on number of AFDC children. LEAs with either 50 or more AFDC children or 10% AFDC children are eligible.	1979-80 625,000 1983-84 N/A 1984-85 N/A	Target students are those in "greatest educational need" in Chapter 1 eligible buildings. A local needs assessment is performed, but there is no prescribed criteria for scores necessary to participate.	Consultants assigned to districts to (1) perform site visits to review End-of-Year program analysis, (2) review fiscal reports. Every district visited at least once a year.		
Rhode Island	1979-80 1983-84 1984-85 1985-86 (proposed)	10.4 10.8 11.2 N/A	2.0 2.0 2.0 2.0	Program appropriation is multiplied by ratio of LEA Chapter 1 entitlement to State total.	1979-80 7,200 est. 1983-84 N/A 1984-85 N/A Predicted drop of 200 participants a year.	Defined by educational and economic criteria. Generally similar to Chapter 1.	Visits to LEAs by State staff to review Chapter 1 and Section 4	LEAs rank schools with first priority given to Chapter 1 schools, second priority to other Chapter 1 eligible schools. State funds may augment existing programs or implement new ones. Other schools may be served if needs at priority schools are met.	
South Carolina	1979-80 1983-84 1984-85 1985-86 (proposed)	58.0 50.2 49.0 N/A	N/A N/A 60.5 N/A	Funds allocated on a per pupil basis at two different funding levels ("compensatory" and "remedial") and within five categories. The categories are classified by a combination of grade level and percentile rank on the Comprehensive Test of Basic Skills.	1979-80 N/A 1983-84 N/A 1984-85 257,611 Students eligible, rather than served, are reported. Number reported is duplicated count.	Students in grades 1-12 are targeted for either compensatory or remedial education participation based on their scores in reading and/or math on the Comprehensive Test of Basic Skills.	Office of Finance monitors each district once a year. Program monitoring is performed for 25% of all districts each year.	SCE funds designed to complement Chapter 1 funds to provide services to all students needing remediation.	SCE program began in the 1984-85 school year.
Texas	1979-80 1983-84 1984-85 1985-86 (proposed)	244.4 235.9 248.9 N/A	42.9 51.6 319.4 341.2	Allocations based on a per-pupil amount using the previous year's best six month average enrollment in the national school lunch program for free or reduced price lunch. Formula uses ADA multiplied by an adjusted basic allotment, multiplied by .2.	1979-80 190,000 est. 1983-84 1.1 m. est. 1984-85 1.1 m. est. Students eligible, rather than served.	Students performing below district expectancy levels in basic skills are identified through State and/or local testing programs.	Visits by State staff to audit expenditures at least once every 5 years, and to monitor accredation at least once every 3 years.	Funds must be used for instructional programs to improve performance in essential language and math competencies. Expenditures for supplies and equipment must be justified; 35% of SCE money may be spent on general administration.	Updated lunch counts now used. Previously, expenditures for general administration were prohibited.

Summary of State-Funded Compensatory Education Programs (cont.)

State	Years	Federal Funds (Millions)	State Funds (Millions)	Funding Approach	Students Served with SCE Funds		Targeting Provisions	Monitoring	Other Special Provisions	Changes Since 1979-80
Utah	1979-80	10.2	1.0	LEA share equals number of weighted pupil units times ratio of disadvantaged pupils in LEA to State total. Disadvantage is defined by a combination of educational and socio-economic criteria.	1979-80	5,000 est.	Students from low-income families, foster children, neglected and delinquent children, and AFDC children who achieve far below the average level for their age.	Forms and guidelines similar to those used at Federal level, with visits to LEAs by State staff. Targeting and monitoring procedures are not rigorously enforced.	SCE is one of a number of "Special Purpose Optionals." LEA receives its entitlement under all programs as a block grant; the State funds may be used to support any combination of the programs covered. LEA must follow guidelines for the programs it chooses to implement.	
	1983-84	10.9	.9		1983-84	3,230				
	1984-85	12.1	.9		1984-85	N/A				
	1985-86 (proposed)	N/A	1.0							
Washington	1979-80	41.6	6.7	Two separate formulas for students in grades 2-6 and students in grades 7-9. Both formulas utilize a per-pupil amount based on enrollment and Statewide assessment scores. Grades 7-9 use an additional multiplier.	1979-80	32,352	Students in grades 2-6 who score below grade level in basic skills achievement. Students in grades 7-9 who score in lowest quartile on Statewide assessment.	Districts monitored by State staff at least once every three years.		A new SCE program focusing, on grades K-12, will begin in the 1985-86 school year. In 1983-84, money for SCE was in the form of a State block grant. Thus, the 1984-85 SCE program is a complete change in program practices.
	1983-84	44.9	Block Grant		1983-84	N/A				
	1984-85	46.5	10.5		1984-85	30,000 est.				
	1985-86	N/A	12.0							

Sources: Winslow, Harold R. Jr., and Peterson, Susan M, Bay Area Research Group, 1981; Childrens Defense Fund 1984; Education Commission of the States 1980; Chrys Dougherty, LBJ school of Public Policy, 1984; and Telephone Interviews by Decision Resources staff with State Chapter 1 or Compensatory Education officials (or appropriate referrals).

State Compensatory Education Programs Identified by BARG (1979-80)	State Compensatory Education Programs Identified by DR (more restrictive definition) 1984-85	New Programs (Year Begun)	New Programs Planned (Year Scheduled)	Programs Abolished (Year)
California	California			
Connecticut	Connecticut			
Florida	Florida			
Georgia	Georgia			
Hawaii				
Illinois				
Indiana			Indiana (1985-86)	
Maryland	Maryland			
Massachusettes				
Michigan	Michigan			
Minnesota				
Missouri				
Nebraska				
New Jersey	New Jersey			
New York	New York			
North Carolina	North Carolina			
Ohio	Ohio			
Pennsylvania			Pennsylvania (1985-86)	
Rhode Island	Rhode Island			
Texas	Texas			
Utah	Utah			
Washington				
Wisconsin				Wisconsin (1979-80 began phase out)
	Louisiana (began 1982-83)	Louisiana (1982-83)		
	South Carolina (began 1984-85)	South Carolina (1984-85)		
	Washington (began 1984-85)	Washington (1984-85)		
			Kentucky (1985-86)	
			Kansas*	
N=23	N=16	N=3	N=4	N=1

* Depends on outcome of 1985 legislative vote.

TABLE A3
TRENDS IN STATE FUNDING OF COMPENSATORY EDUCATION PROGRAMS
1979-80 TO 1984-85
(MILLIONS OF DOLLARS)

STATE	1979-80 ACTUAL $	1984-85 ACTUAL $	1984-85 ADJUSTED $ (1979-80 BASE)	% CHANGE ACTUAL $ 79-80 TO 84-85	% CHANGE ADJUSTED $ 79-80 TO 84-85
CONNECTICUT	7.0	6.4	4.4	-8.6%	-37.1%
FLORIDA	28.5	34.4	23.8	20.7%	-16.5%
GEORGIA	12.7	18.1	12.5	42.5%	-1.6%
LOUISIANA	NA	8.8	6.1	NA	NA
MARYLAND	14.7	14.8	10.2	0.7%	-30.6%
MICHIGAN	32.9	24.0	16.6	-27.1%	-49.5%
NEW JERSEY	68.3	88.0	60.9	28.8%	-10.8%
NEW YORK	136.9	177.6	123.0	29.7%	-10.2%
NORTH CAROLINA	8.0	8.8	6.1	10.0%	-23.8%
OHIO	57.0	40.0	27.7	-29.8%	-51.4%
RHODE ISLAND	2.0	2.0	1.4	0.0%	-30.0%
SOUTH CAROLINA	NA	60.5	41.9	NA	NA
TEXAS	42.9	319.4	221.2	644.5%	415.6%
UTAH	1.0	0.9	0.6	-10.0%	-40.0%
WASHINGTON	6.7	10.5	7.3	56.7%	9.0%

TABLE A4
TRENDS IN FEDERAL FUNDING OF COMPENSATORY EDUCATION PROGRAMS
1979-80 TO 1984-85
(MILLIONS OF DOLLARS)

STATE	1979-80 ACTUAL $	1984-85 ACTUAL $	1984-85 ADJUSTED $ (1979-80 BASE)	% CHANGE ACTUAL $ 79-80 TO 84-85	% CHANGE ADJUSTED $ 79-80 TO 84-85
CALIFORNIA	$300.0	$361.5	$250.3	20.5%	-16.6%
CONNECTICUT	30.9	38.7	26.8	25.2%	-13.3%
FLORIDA	112.7	151.6	105.0	34.5%	-6.8%
GEORGIA	83.5	85.9	59.5	2.9%	-28.7%
LOUISIANA	90.1	102.6	71.1	13.9%	-21.1%
MARYLAND	53.6	55.2	38.2	3.0%	-28.7%
MICHIGAN	134.0	138.4	95.8	3.3%	-28.5%
NEW JERSEY	83.3	107.5	74.4	29.1%	-10.7%
NEW YORK	302.7	351.5	243.4	16.1%	-19.6%
NORTH CAROLINA	93.2	80.1	55.5	-14.1%	-40.5%
OHIO	96.5	112.6	78.0	16.7%	-19.2%
RHODE ISLAND	10.4	11.2	7.8	7.7%	-25.0%
SOUTH CAROLINA	58.0	49.0	33.9	-15.5%	-41.6%
TEXAS	244.4	248.9	172.4	1.8%	-29.5%
UTAH	10.2	12.1	8.4	18.6%	-17.6%
WASHINGTON	41.6	46.5	32.2	11.8%	-22.6%

TABLE A5
STATE FUNDS AS A PROPORTION OF FEDERAL FUNDS (MILLIONS OF DOLLARS)
COMPENSATORY EDUCATION PROGRAMS
1979-80 AND 1984-85

STATE	STATE FUNDS 1979-80	FEDERAL FUNDS 1979-80	STATE FUNDS AS PERCENT OF FEDERAL FUNDS 1979-80	STATE FUNDS 1984-85	FEDERAL FUNDS 1984-85	STATEUNDS AS PERCENT OFEDERAL FUNDS 984-85
CONNECTICUT	7.0	30.9	22.7%	6.4	38.7	16.5%
FLORIDA	28.5	112.7	25.3%	34.4	151.6	22.7%
GEORGIA	12.7	83.5	15.2%	18.1	85.9	21.1%
LOUISIANA	NA	90.1	NA	8.8	102.6	8.6%
MARYLAND	14.7	53.6	27.4%	14.8	55.2	26.8%
MICHIGAN	32.9	134.0	24.6%	24.0	138.4	17.3%
NEW JERSEY	68.3	83.3	82.0%	88.0	107.5	81.9%
NEW YORK	136.9	302.7	45.2%	177.6	351.5	50.5%
NORTH CAROLINA	8.0	93.2	8.6%	8.8	80.1	11.0%
OHIO	57.0	96.5	59.1%	40.0	112.6	35.5%
RHODE ISLAND	2.0	10.4	19.2%	2.0	11.2	17.9%
SOUTH CAROLINA	NA	58.0	NA	60.5	49.0	123.5%
TEXAS	42.9	244.4	17.6%	319.4	248.9	28.3%
UTAH	1.0	10.2	9.8%	0.9	12.1	7.4%
WASHINGTON	6.7	41.6	16.1%	10.5	46.5	22.6%